

Before the
Federal Communications Commission
Washington, D.C 20554

In the Matter of)	
)	
Petition for Rulemaking, or Alternatively,)	RM-11019
A Waiver of the Eligibility Restrictions on)	
C Block Licenses in the Broadband Personal)	
Communications Services)	

**OPPOSITION OF THE
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION**

The National Telecommunications Cooperative Association (NTCA)¹ submits these comments in support of those parties opposed to the petition for rulemaking or waiver filed by the Cellular Telecommunications & Internet Association (CTIA).² CTIA requests that the Commission initiate a rulemaking proceeding to remove the entrepreneur eligibility restrictions for all C Block licenses in its upcoming auction of Personal Communications Services (PCS) licenses, or, alternatively, that the FCC waive the application of the entrepreneur eligibility restrictions for the auction.³

The vast majority of parties who filed comments in response to CTIA's petition are opposed to its proposals. These parties explain that entrepreneur eligibility

¹ NTCA is the premier industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents more than 560 rural rate-of-return regulated telecommunications providers. All of NTCA's members are full service incumbent local exchange carriers (ILECs) and many of its members provide wireless, cable, Internet, satellite and long distance services to their communities. Each member is a "rural telephone company" as defined in the Communications Act of 1934, as amended (Act). NTCA's members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

² See Oppositions of Designated Entity Program Supporters, Vincent D. McBride, Scott D. Reiter, PC Management, NTCH, Inc., Madison Dearborn partners, LLC, Doyon, Limited, Council Tree Communications, Inc., Catalyst Investors, Arctic Slope Regional Corporation, and 3G PCS, LLC.

³ *Public Notice*, RM-11019, Report No. 2663 (rel. July 15, 2004)

restrictions have the potential to provide real, meaningful spectrum opportunities to small and rural carriers. Contrary to CTIA's assertions, bidding credits alone or reliance on the Commission's partitioning and disaggregation policies do not provide the same opportunities for a small business as does closed bidding. No matter the size of a bidding credit, a small business has little chance of beating out a large carrier intent on obtaining a particular spectrum license at auction. A bidding credit alone cannot make up for a small carrier's lack of comparable resources. Similarly, there is no evidence that the partitioning and disaggregation rules will result in any significant shift of spectrum from the hands of large carriers into the hands of small carriers.

The shortage of suitable spectrum and the demands of the consumer, coupled with the 309(j) mandates, support the retaining of restrictions that ensure opportunities for small carriers. Respondents to a recent NTCA wireless survey indicated their intent to offer their customers a wide variety of new wireless services over the next 12 to 18 month period: broadband, GSM/GPRS, fixed wireless, bundled voice, data and Internet, push-to-talk, paging, and text messaging were all noted.⁴ Respondents also indicated their need for additional licensed spectrum.⁵ Nearly half of the survey respondents indicated that they had trouble competing with large carriers.⁶ The PCS spectrum at issue has the potential to permit small carriers to offer a myriad of new services, services their customers demand, and to compete with the large carriers serving their territory.

Section 309(j) of the Act compels the Commission to provide meaningful spectrum opportunities to small businesses and rural telephone companies. Removing the

⁴ NTCA 2003 Wireless Survey Report at 10, available at www.ntca.org

⁵ Id.

⁶ Id.

eligibility restriction from the C-Block auction will run afoul of 309(j) and essentially ensure that only large carriers participate in the auction. If the large carriers obtain the spectrum it is highly unlikely, that the carriers will eventually “share” the spectrum, via partitioning or disaggregation, with the rural carriers seeking to serve the rural communities. Large carriers will again have a significant advantage over small carriers in the provision of services. Rural carriers must have the opportunity to obtain the spectrum in the initial stages of its offering.

NTCA opposes the CTIA petition for the above stated reasons and urges the Commission to reject CTIA’s attempt to discard meaningful spectrum opportunities for small and rural carriers.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Rita H. Bolden, certify that a copy of the foregoing Comments of the National Telecommunications Cooperative Association in RM-11019 was served on this 9th day of August 2004 by first-class, U.S. Mail, postage prepaid, to the following persons:

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